II. Indicators of Quality

A. Evidence of Effectiveness

See Addendum B

Anecdotally, our students normally improve an average of one to two letter grades within a few months of working with our tutors. Additionally, on standardized tests such as the ACT and SAT, we see significant improvements with the average student improving as much as 5 composite points on the ACT and 200-300 composite points on the SAT. We have had little experience preparing students for the MEAP. However, we predict that as school performance has improved so has the MEAP scores for our students.

Our business is primarily referral based with school administrators and satisfied parents recommending our services to other parents. We would be happy to provide a variety of names and phone numbers of satisfied customers upon request.

See attached data collected at corporate level.

B. Evidence of Links Between Research and Program Design

The Club Z! In-Home Tutoring approach is not complicated. Our one-on-one, in-home tutoring approach is a result of years of combined educational research by a variety of institutions and educational experts. These individuals and organizations agree that students excel faster when they receive individualized instruction in a one-on-one environment.

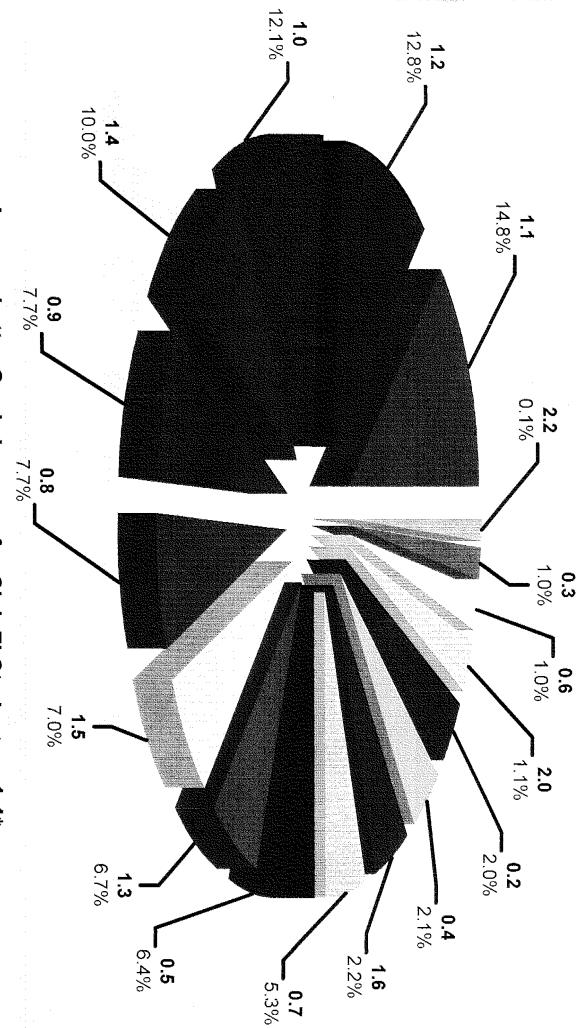
When a child is allowed to proceed at their own pace, without the distractions of other students in the classroom, they are often able to concentrate, comprehend and retain information more with more success. Additionally, when a teacher is able to work with one student at a time, they are able to determine which instructional methods are most effective with a given student. Particularly when learning disabilities are determined to be present, the importance of one-on-one instruction becomes paramount. The development of resource classes within our schools demonstrates the educational community's awareness of the need for individualized instruction.

Club Z! In-Home Tutoring provides one-on-one tutoring to students in the comfort, convenience and security of their own home. Our instructional sessions are between one and two hours in length, depending on the age and attention of the student. For older students, the sessions are often two hours. The frequency of our tutoring visits is determined by the age and needs of the student. In most cases, we tutor between two and four hours per week.

One of the key tenants of our educational approach is making good skills and personality matches between our students and teachers. Though not based on significant empirical data, we believe that the effectiveness of a teacher in a child's life is directly related to the congruence of personality and the opinions of students toward teachers. For example, a high school student who feels peer pressure from classmates to intentionally sabotage grades (the "too cool for school" factor) would be best paired with a motivational teacher who can role model the

Addendum B

Statistical Distribution of Letter Grade Increase with 1000 Randomly Selected Club Z! Students



Average Letter Grade Increase for Club Z! Students

average calculated from a survey conducted through the corporate office of Club ZI, Inc.

Survey included 1000 randomly selected students tutored by Club ZI, Inc.

Actual Results attached

The letter grade increase was measured nationwide at over 75 locations. The initial letter grade was measured at the time of enrollement and the second measure was conducted after 24 lessons over a 3 month period of time. The elementary students were given a corresponding letter grade rating for their performance. This study was conducted during January 2002 -June 2002 and the results were calculated on August 13, 2002.

10, 2002.	
Random Student	Letter
	Grade
	Increase
Student 1	0.8
Student 2	1.2
Student 3	1.5
Student 4	0.5
Student 5	0.5
Student 6	0.2
Student 7	1.3
Student 8	1.5
Student 9	1.4
Student 10	1.1
Student 11	1.0
Student 12	0.4
Student 13	1.4
Student 14	1.2
Student 15	1.2
Student 16	1.2
Student 17	1.3
Student 18	1.5
Student 19	1.4
Student 20	1.1
Student 21	0.8
Student 22	0.9
Student 23	0.7
Student 24	0.5
Student 25	1.2
Student 26	1.3
Student 27	1.4
Student 28	1.1

DATA continues for 19 pages-not included but Auxilable upon request.